

# SENATE BILL REPORT

## SB 6338

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As Reported by Senate Committee On:  
Financial Institutions, Housing & Insurance, February 6, 2014

**Title:** An act relating to giving preferences to housing trust fund projects that involve collaboration between local school districts and housing authorities to help children of low-income families succeed in school.

**Brief Description:** Giving preferences to housing trust fund projects that involve collaboration between local school districts and housing authorities to help children of low-income families succeed in school.

**Sponsors:** Senators Dammeier, Darneille, Angel, Keiser, Honeyford and Tom.

**Brief History:**

**Committee Activity:** Financial Institutions, Housing & Insurance: 2/04/14, 2/06/14 [DP].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

**Majority Report:** Do pass.

Signed by Senators Angel, Co-Chair; Hobbs, Co-Chair; Benton, Vice Co-Chair; Mullet, Vice Co-Chair; Fain, Hatfield, Nelson and Roach.

**Staff:** Alison Mendiola (786-7483)

**Background:** Washington State Housing Trust Fund (Housing Trust Fund).

Established at the Department of Commerce (Commerce) in 1987 and funded beginning in 1989, the Housing Trust Fund helps communities meet the housing needs of low-income and special needs populations. Ninety-three percent of households served are below 50 percent of area median income, with 71 percent below 30 percent of area median income.

Capital Budget Appropriations for Housing 2003-05 through 2013-15 Biennium.

Biennium	2003-05	2005-07	2007-09	2009-11	2011-13	2013-15
Appropriations (millions)	\$81	\$121	\$200	\$130	\$117	\$51.5

Housing Assistance Program. The Housing Assistance Program, administered by Commerce, uses the Housing Trust Fund and other appropriations to finance loans and grant projects that provide housing for households with special housing needs and with incomes at or below 50

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percent of the project area's median family income. At least 30 percent of funds in any cycle must benefit projects located in rural parts of the state.

Organizations eligible to receive funding include the following: local governments; local housing authorities; regional support networks; nonprofit community or neighborhood-based organizations; federally recognized Indian tribes; and regional or statewide nonprofit housing assistance organizations.

Commerce must grant as many applications as available funding allows. In awarding funds, Commerce must provide for geographic distribution statewide. Commerce must give first priority to projects that use privately owned housing purchased by a public housing authority or nonprofit public development authority. A second priority must be given to projects that use publicly owned housing. Within these priorities, Commerce must give preference to projects based on some or all of the following criteria:

- the degree of leveraging of other funds;
- the degree of commitment from programs focusing on special needs populations that provide necessary habilitation and support services;
- contributions from recipients to total project costs, including allied contributions from other sources such as professional, craft and trade services, and lender interest rate subsidies;
- local government project contributions, including infrastructure improvements;
- projects that encourage ownership, management, and other project-related responsibility opportunities;
- projects that demonstrate a strong probability of serving the original target group or income level for a period of at least 25 years;
- an applicant's demonstrated ability, stability, and resources to implement the project;
- projects which demonstrate serving the greatest need;
- projects that provide housing for persons and families with the lowest incomes;
- projects serving special needs populations which are under statutory mandate to develop community housing;
- project location and access to employment centers in the region or area;
- projects that provide certain employment and training opportunities for disadvantaged youth; and
- project location and access to available public transportation services.

Applications for projects that serve persons with mental illnesses must be consistent with a regional support network six-year capital and operating plan.

**Summary of Bill:** Commerce must give preference to housing trust fund project applications that involve collaborative partnerships between local school districts and public housing authorities the help children of low-income families succeed in school.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill is inspired by the wonderful work that is happening in Tacoma between the public housing authority and its public schools. The outcomes for homeless children have been tremendous and could help children break the cycle of poverty. Every time a homeless child changes school, the chance of that child graduating from high school drops. The partnership between McCarver Elementary School and the Tacoma Public Housing Authority has produced great results both in housing and for the children in school. There is support for the idea of expanding the language to also include nonprofit housing agencies, like Habitat for Humanity; not just public housing authorities.

**Persons Testifying:** PRO: Senator Dammeier, prime sponsor; Michael Power, Tacoma Housing Authority; Nick Federici, WA Low Income Housing Alliance; Connie Brown, Tacoma-Pierce County Affordable Housing Consortium.